

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF[261]

Adopted and Filed

Pursuant to the authority of Iowa Code sections 15.104 and 15.106, the Iowa Department of Economic Development amends Chapter 1, “Organization,” Chapter 23, “Iowa Community Development Block Grant Program,” Chapter 53, “Community Economic Betterment Account (CEBA) Program,” Chapter 57, “Value-Added Agricultural Products and Processes Financial Assistance Program (VAAPFAP),” Chapter 59, “Enterprise Zone (EZ) Program,” Chapter 60, “Entrepreneurial Ventures Assistance (EVA) Program,” Chapter 61, “Physical Infrastructure Assistance Program (PIAP),” Chapter 68, “High Quality Job Creation (HQJC) Program,” and Chapter 69, “Loan and Credit Guarantee Program”; adopts Chapter 74, “Grow Iowa Values Financial Assistance Program,” and Chapter 75, “Opportunities and Threats Program”; and amends Chapter 165, “Allocation of Grow Iowa Values Fund,” Chapter 173, “Standard Definitions,” Chapter 174, “Wage, Benefit, and Investment Requirements,” Chapter 175, “Application Review and Approval Procedures,” Chapter 187, “Contracting,” and Chapter 189, “Annual Reporting,” Iowa Administrative Code.

These amendments are intended to implement 2009 Iowa Acts, Senate File 344. This rule making amends 15 existing chapters and adopts 2 new chapters. 2009 Iowa Acts, Senate File 344, simplifies four state financial assistance programs (CEBA, PIAP, VAAPFAP, EVA), three funding sources (“old money,” IVF (FES), IVF (2005)), and two tax credit programs (HQJC, EZ). These legislative changes will make it easier for the Department to report on program results, easier for the public to evaluate performance, easier for the state to administer, and easier for businesses to understand performance expectations. The amendments also implement revisions made by 2009 Iowa Acts, Senate File 449, which amends the statutory language applicable to the composition of the Iowa Economic Development Board.

2009 Iowa Acts, Senate File 344, standardizes and simplifies the Department’s state financial assistance requirements. The amendments accomplish the following:

- Provide that awards will be based on the creation or retention of high-quality jobs;
- Provide that award amounts will be based on the Fiscal Impact Ratio;
- Provide that awards are negotiable and tied to the Fiscal Impact Ratio;
- Establish standard qualifying wage thresholds (100 percent or 130 percent of county or regional wage, whichever is lower; 90 percent in Enterprise Zone and EDSA projects that do not receive awards from multiple programs);
- Establish a standard benefit package requirement (company must pay 80 percent of single or 50 percent of family coverage or a monetary equivalent for medical and dental coverage) for which the company will receive a 10 percent credit toward its wage threshold calculation (the benefits credit is only applicable to the 130 percent wage component and HQJP);
- Establish a standard project completion period (three years from project award date) and project maintenance period (two years from project completion date);
- Provide that all requests for assistance will be acted upon by the IDED Board; and
- Provide that businesses receiving more than one type of financial assistance will contract for and be measured on the highest wage requirement of the program components awarded.

Notice of Intended Action was published in the Iowa Administrative Bulletin on July 15, 2009, as **ARC 7971B**. These amendments were also Adopted and Filed Emergency and published on the same date as **ARC 7970B**.

A public hearing was held on August 5, 2009. No comments, written or oral, were received at the public hearing. The Department received one written comment asking about the proposed deletion of paragraph 1.3(1)“c” in Item 2. Paragraph “c” describes the composition of the Iowa Economic Development Board, and its proposed deletion was an error. The intention was to update this paragraph to match Iowa Code section 15.103 as amended by 2009 Iowa Acts, Senate File 449, sections 5 and 6. The amendments adopted herein include changes to paragraph 1.3(1)“c” that are needed to conform to statutory language. Paragraph 1.3(1)“c” now reads as follows:

“c. Voting members—representation on the board following the transitional year (July 1, 2005, to June 30, 2006). Following the transitional year, at least one of the voting members shall be less than 30 years of age at the time of appointment. At least 9 voting members of the board shall be actively employed in the private, for-profit sector of the economy. Each of the following areas of expertise shall be represented by at least 1 voting member of the board who has professional experience in that area of expertise:

“(1) Finance, insurance, or investment banking.

“(2) Advanced manufacturing.

“(3) Statewide agriculture.

“(4) Life sciences.

“(5) Small business development.

“(6) Information technology.

“(7) Economics or alternative and renewable energy including the alternative and renewable energy sectors listed in Iowa Code section 476.42, subsection 1, paragraph “a.”

“(8) Labor.

“(9) Marketing.

“(10) Entrepreneurship.”

Subsequent to publication of the Notice and Adopted and Filed Emergency amendments, additional amendments were made to rule 261—74.7(83GA,SF344). Amendments to rule 261—74.7(83GA,SF344) were Adopted and Filed Emergency and published in the Iowa Administrative Bulletin on July 29, 2009, as **ARC 7978B**. The amendments adopted herein reflect those amendments adopted in **ARC 7978B**.

The Iowa Economic Development Board adopted these amendments on August 20, 2009.

These amendments will become effective on October 28, 2009, at which time the Adopted and Filed Emergency amendments are hereby rescinded.

These amendments are intended to implement 2009 Iowa Acts, Senate File 344 and Senate File 449.

EDITOR’S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [amend Chs 1, 23, 53, 57, 59 to 61, 68, 69, 165, 173 to 175, 187, 189; adopt Chs 74, 75] is being omitted. With the exception of the changes noted above, these amendments are identical to those published under Notice as **ARC 7971B** and Adopted and Filed Emergency as **ARC 7970B**, IAB 7/15/09.

[Filed 8/20/09, effective 10/28/09]

[Published 9/23/09]

[For replacement pages for IAC, see IAC Supplement 9/23/09.]